



COUNTY OF LOS ANGELES

**Public Health**

**JONATHAN E. FIELDING, M.D., M.P.H.**  
Director and Health Officer

**JONATHAN E. FREEDMAN**  
Chief Deputy Director

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January 4, 2012

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.  
Director and Health Officer

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO AMEND  
CONTRACT NUMBER PH-001847 WITH RENEW INTEGRATED PROGRAM-2,  
INC. FOR THE PROVISION OF DRUG/MEDI-CAL SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on June 7, 2011, to execute amendments to Drug/Medi-Cal (DMC) agreements that increase or decrease the contractual maximum obligations, pursuant to the federal ruling of Sobky v. Smoley, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office.

Pursuant to the federal ruling of Sobky v. Smoley, counties are required to enter into agreements with all State-certified DMC service providers who request service contracts. Moreover, when these agencies request additional funds necessary to provide services to persons eligible for DMC program services, counties are required to amend the DMC agreements to reflect the additional services and funding. Under this federal ruling, counties have no basis to deny reimbursement for services if the contractor is in full compliance with contractual requirements.

Under the delegated authority referenced above, I will execute an amendment to the DMC Agreement Number PH-001847 with Renew Integrated Program-2, Inc. to increase the annual funding by \$175,000, increasing the annual obligation from \$400,000 to \$575,000, and the total maximum obligation from \$1,200,000 to \$1,725,000, to provide Outpatient Drug Free Services and Day Care Habilitative Services for the term of July 1, 2011 through June 30, 2014; 100 percent offset by federal and State funds.

County Counsel has reviewed and approved the amendment as to form and this delegated authority action.

If you have any questions or need additional information, please let me know.

JEF: eav  
#02077

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors